



QUARTERLY STATEMENT

AS OF MARCH 31, 2017
OF THE CONDITION AND AFFAIRS OF THE

HAP Midwest Health Plan, Inc.

NAIC Group Code	1311	01311	NAIC Company Code	95814	Employer's ID Number	38-3123777
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan			State of Domicile or Port of Entry	Michigan	
Country of Domicile	United States					
Licensed as business type:	Life, Accident & Health []		Property/Casualty []		Hospital, Medical & Dental Service or Indemnity []	
	Dental Service Corporation []		Vision Service Corporation []		Health Maintenance Organization [X]	
	Other []				Is HMO Federally Qualified? Yes [] No []	
Incorporated/Organized	01/01/1994		Commenced Business		01/01/1994	
Statutory Home Office	2850 West Grand Blvd			Detroit, MI, US 48202		
	(Street and Number)			(City or Town, State, Country and Zip Code)		
Main Administrative Office	2850 West Grand Blvd		Detroit, MI, US 48202		888-654-2200	
	(Street and Number)		(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)	
Mail Address	PO Box 2578		Detroit, MI, US 48202			
	(Street and Number or P.O. Box)		(City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	2850 West Grand Blvd		Detroit, MI, US 48202		888-654-2200	
	(Street and Number)		(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)	
Internet Web Site Address	www.Hap.org\midwest					
Statutory Statement Contact	Dianna L. Ronan CPA			248-443-1093		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	dronan@hap.org			248-443-8610		
	(E-Mail Address)			(FAX Number)		

OFFICERS

Name	Title	Name	Title
Michael Genord MD	President	Richard Swift	Treasurer
Dan Champney	Secretary	Teresa Kline	Chairman

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Dan E. Champney	Michael A. Genord MD	Richard Swift	Teresa Kline
Mary Ann Tournoux			

State of Michigan ss
County of Detroit

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Michael Genord MD President	Richard Swift Treasurer	Dan Champney Secretary
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a. Is this an original filing? Yes [X] No []
b. If no:
1. State the amendment number
2. Date filed
3. Number of pages attached

Subscribed and sworn to before me this
day of

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	1,027,057		1,027,057	1,027,117
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$15,785,545), cash equivalents (\$0) and short-term investments (\$37,978,319)	53,763,864		53,763,864	72,658,797
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives	0		0	0
8. Other invested assets	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	54,790,921	0	54,790,921	73,685,914
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	21,332		21,332	19,261
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	0		0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	823,573		823,573	820,137
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	2,604,892
18.1 Current federal and foreign income tax recoverable and interest thereon	518,201		518,201	572,477
18.2 Net deferred tax asset	2,223,449	489,100	1,734,348	1,720,403
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	331,962	331,962	0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	0		0	0
24. Health care (\$2,549,443) and other amounts receivable	8,497,630		8,497,630	6,006,186
25. Aggregate write-ins for other-than-invested assets	810,037	810,037	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	68,017,105	1,631,100	66,386,006	85,429,270
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	68,017,105	1,631,100	66,386,006	85,429,270
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepaid Assets	810,037	810,037	0	0
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	810,037	810,037	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded).....	22,922,380		22,922,380	26,764,445
2. Accrued medical incentive pool and bonus amounts	1,186,546		1,186,546	1,182,069
3. Unpaid claims adjustment expenses	625,000		625,000	778,491
4. Aggregate health policy reserves including the liability of \$ for medical loss ratio rebate per the Public Health Service Act.....	2,470,411		2,470,411	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	11,454,917		11,454,917	2,470,411
9. General expenses due or accrued	404,783		404,783	960,680
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))			0	0
10.2 Net deferred tax liability.....			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	319,340		319,340	26,410,120
16. Derivatives.....		0	0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers).....			0	0
20. Reinsurance in unauthorized and certified (\$) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ current)	2,551,315	0	2,551,315	2,551,315
24. Total liabilities (Lines 1 to 23).....	41,934,692	0	41,934,692	61,117,531
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX		186,230
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX		33,770
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	24,451,313	24,091,738
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX		0
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	24,451,313	24,311,738
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	66,386,006	85,429,269
DETAILS OF WRITE-INS				
2301. Liability - State Tax Refunds.....	2,551,315		2,551,315	2,551,315
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	2,551,315	0	2,551,315	2,551,315
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX	0	
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX	24,828	23,421	96,690
2. Net premium income (including \$ non-health premium income).....	XXX	31,419,052	30,070,937	122,454,548
3. Change in unearned premium reserves and reserve for rate credits	XXX		0	0
4. Fee-for-service (net of \$ medical expenses)	XXX		0	0
5. Risk revenue	XXX		0	0
6. Aggregate write-ins for other health care related revenues	XXX	(13,837)	(2,816)	(11,196)
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	31,405,215	30,068,121	122,443,352
Hospital and Medical:				
9. Hospital/medical benefits		12,657,849	9,337,353	39,105,792
10. Other professional services		10,405,130	10,655,251	44,829,364
11. Outside referrals		17,221	665,267	3,171,694
12. Emergency room and out-of-area		1,083,931	1,629,823	5,671,532
13. Prescription drugs		2,443,513	2,016,798	10,729,288
14. Aggregate write-ins for other hospital and medical.....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		33,398	386,343	519,258
16. Subtotal (Lines 9 to 15)	0	26,641,042	24,690,835	104,026,928
Less:				
17. Net reinsurance recoveries			299,932	1,246,766
18. Total hospital and medical (Lines 16 minus 17)	0	26,641,042	24,390,903	102,780,162
19. Non-health claims (net).....			0	0
20. Claims adjustment expenses, including \$ 558,165 cost containment expenses.....		1,333,839	1,706,124	3,138,286
21. General administrative expenses.....		3,533,627	5,416,693	14,685,556
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....			0	0
23. Total underwriting deductions (Lines 18 through 22)	0	31,508,508	31,513,720	120,604,004
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(103,293)	(1,445,599)	1,839,348
25. Net investment income earned		52,211	291,155	630,159
26. Net realized capital gains (losses) less capital gains tax of \$			12,021	301,695
27. Net investment gains (losses) (Lines 25 plus 26)	0	52,211	303,176	931,854
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			0	0
29. Aggregate write-ins for other income or expenses	0	0	30,537,900	30,507,300
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	(51,082)	29,395,477	33,278,502
31. Federal and foreign income taxes incurred	XXX	(17,879)	10,435,355	10,287,537
32. Net income (loss) (Lines 30 minus 31)	XXX	(33,203)	18,960,122	22,990,965
DETAILS OF WRITE-INS				
0601.	XXX			
0602.	XXX		0	0
0603. Child & Adolescent Health Center Fee.....	XXX	(13,837)	(2,816)	(11,196)
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	(13,837)	(2,816)	(11,196)
0701.	XXX	0		
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0	0
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0	0
2901. Membership transfer gain.....			30,537,900	30,507,300
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	30,537,900	30,507,300

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year.....	24,311,737	57,362,569	57,362,569
34. Net income or (loss) from Line 32	(33,203)	18,960,123	22,990,965
35. Change in valuation basis of aggregate policy and claim reserves		0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$		0	0
37. Change in net unrealized foreign exchange capital gain or (loss)		0	0
38. Change in net deferred income tax	13,845	0	(1,251,845)
39. Change in nonadmitted assets	238,260	(449,561)	128,235
40. Change in unauthorized and certified reinsurance	0	0	0
41. Change in treasury stock		0	0
42. Change in surplus notes	0	0	0
43. Cumulative effect of changes in accounting principles		0	0
44. Capital Changes:			
44.1 Paid in		0	0
44.2 Transferred from surplus (Stock Dividend)		0	0
44.3 Transferred to surplus		(186,230)	0
45. Surplus adjustments:			
45.1 Paid in		186,230	0
45.2 Transferred to capital (Stock Dividend)	0	0	0
45.3 Transferred from capital		0	0
46. Dividends to stockholders		0	(54,700,000)
47. Aggregate write-ins for gains or (losses) in surplus	(79,326)	0	(218,187)
48. Net change in capital and surplus (Lines 34 to 47)	139,576	18,510,562	(33,050,832)
49. Capital and surplus end of reporting period (Line 33 plus 48)	24,451,313	75,873,131	24,311,737
DETAILS OF WRITE-INS			
4701.			
4702. Correction of Immaterial Error - Tax.....	(79,326)	0	(218,187)
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	(79,326)	0	(218,187)

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	41,239,443	29,516,361	118,565,615
2. Net investment income	50,140	413,198	1,017,259
3. Miscellaneous income	(13,837)	(2,816)	(11,196)
4. Total (Lines 1 to 3)	41,275,747	29,926,743	119,571,678
5. Benefit and loss related payments	30,482,066	52,960,982	151,472,790
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	3,376,746	(19,657,449)	22,471,155
8. Dividends paid to policyholders		0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	(40,431)	3,000,000	9,700,000
10. Total (Lines 5 through 9)	33,818,380	36,303,533	183,643,945
11. Net cash from operations (Line 4 minus Line 10)	7,457,367	(6,376,790)	(64,072,267)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	0	4,607,880	48,179,688
12.2 Stocks	0	0	0
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
12.7 Miscellaneous proceeds	0	1,895	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	4,609,775	48,179,688
13. Cost of investments acquired (long-term only):			
13.1 Bonds	0	5,036,839	12,958,567
13.2 Stocks	0	0	0
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	0	231,181	829,287
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	5,268,020	13,787,854
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	0	(658,245)	34,391,834
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	(220,000)	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0	0
16.5 Dividends to stockholders	0	0	30,000,000
16.6 Other cash provided (applied).....	(26,132,299)	(29,441,780)	5,916,999
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(26,352,299)	(29,441,780)	(24,083,001)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(18,894,932)	(36,476,815)	(53,763,434)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	72,658,796	126,422,230	126,422,230
19.2 End of period (Line 18 plus Line 19.1)	53,763,864	89,945,415	72,658,796

STATEMENT AS OF MARCH 31, 2017 OF THE HAP Midwest Health Plan, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	8,076	18	.0	.0	.0	.0	.0	2,299	5,759	.0
2. First Quarter	8,344	.0	.0	.0	.0	.0	.0	5,803	2,541	.0
3. Second Quarter .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Third Quarter .....	.0									
5. Current Year	0									
6. Current Year Member Months	24,828							17,284	7,544	
Total Member Ambulatory Encounters for Period:										
7. Physician	30,471							16,168	14,303	
8. Non-Physician	30,742							15,485	15,257	
9. Total	61,213	0	0	0	0	0	0	31,653	29,560	0
10. Hospital Patient Days Incurred	2,163							1,951	212	
11. Number of Inpatient Admissions	335							289	46	
12. Health Premiums Written (a).....	31,419,052							20,957,900	10,461,152	
13. Life Premiums Direct.....	.0									
14. Property/Casualty Premiums Written .....	.0									
15. Health Premiums Earned .....	.0									
16. Property/Casualty Premiums Earned .....	.0									
17. Amount Paid for Provision of Health Care Services .....	.0									
18. Amount Incurred for Provision of Health Care Services	26,641,042							17,584,983	9,056,059	

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 27,939,409

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims						
1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims unpaid (Reported)						
HRA/GME/SNAF.....	30,151	25,000	15,000	20,000	10,000	100,151
Pharmacy Benefit Manager.....	(524,266)					(524,266)
PCP-IPP Enhanced Payment.....					332,946	332,946
0199999 Individually listed claims unpaid.....	(494,115)	25,000	15,000	20,000	342,946	(91,169)
0299999 Aggregate accounts not individually listed-uncovered.....						0
0399999 Aggregate accounts not individually listed-covered.....						0
0499999 Subtotals.....	(494,115)	25,000	15,000	20,000	342,946	(91,169)
0599999 Unreported claims and other claim reserves.....	XXX	XXX	XXX	XXX	XXX	23,013,550
0699999 Total amounts withheld.....	XXX	XXX	XXX	XXX	XXX	
0799999 Total claims unpaid.....	XXX	XXX	XXX	XXX	XXX	22,922,380
0899999 Accrued medical incentive pool and bonus amounts.....	XXX	XXX	XXX	XXX	XXX	1,186,546

UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)		0	21,111		21,111	21,111
2. Medicare Supplement					0	0
3. Dental only					0	0
4. Vision only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare	7,052,082	9,515,392	7,477,088	5,340,898	14,529,170	14,529,170
7. Title XIX - Medicaid	7,556,790	6,223,275	4,556,105	5,528,078	12,112,895	12,112,895
8. Other health			0	0	0	0
9. Health subtotal (Lines 1 to 8).....	14,608,872	15,738,667	12,054,304	10,868,976	26,663,176	26,663,176
10. Health care receivables (a)					0	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts		28,921	1,182,070	4,477	1,182,070	1,182,070
13. Totals (Lines 9-10+11+12)	14,608,872	15,767,589	13,236,374	10,873,453	27,845,246	27,845,246

(a) Excludes \$ loans or advances to providers not yet expensed.

The interim financial information presented below has been prepared under the assumption that users of such interim financial information have either read or have access to the annual statement of HAP Midwest Health Plan, Inc. (the "Company") for the fiscal year ended December 31, 2015. Accordingly, footnote disclosures that would substantially duplicate the disclosures contained in the December 31, 2015 annual statement or audited financial statements have been omitted.

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of HAP Midwest Health Plan, Inc. (Plan) have been prepared in accordance with the NAIC Accounting Practices and Procedures Manual (NAPPM) and the NAIC Annual Statement Instructions (NASI) to the extent that these accounting practices, procedures and reporting standards are not modified by accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services (DIFS).

DIFS recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining the financial condition and results of operation of an insurance company. The NAPPM has been adopted as a component of prescribed or permitted practices by DIFS.

A reconciliation of the Plan's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Michigan is shown below:

NET INCOME	State of Domicile	2017	2016
(1) Plan State Basis (Page 4, Line 32, Columns 2 & 3)	Michigan	(\$33,203.27)	\$22,990,965
(2) State Prescribed Practices that increase/(decrease) NAIC SAP: NONE	Michigan		
(3) State Permitted Practices that increase/(decrease) NAIC SAP: NONE	Michigan		
(4) NAIC SAP (1-2-3=4)	Michigan	<u>(\$33,203.27)</u>	<u>\$22,990,965</u>
SURPLUS			
(5) Plan State Basis (Page 3, Line 33, Columns 3&4)	Michigan	\$24,451,313	\$24,331,738
(6) State Prescribed Practices that increase/(decrease) NAIC SAP: NONE	Michigan		
(7) State Permitted Practices that increase/(decrease) NAIC SAP: NONE	Michigan		
(8) NAIC SAP (5-6-7=8)	Michigan	<u>\$24,451,313</u>	<u>\$24,311,738</u>

Financial statements prepared on the statutory basis vary in some respects from those prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), and in some cases, those differences may be material. The significant accounting principles, as outlined above, were followed in the preparation of the statutory basis financial statements. Had the financial statements been prepared in accordance with the accounting principles generally accepted in the United States of America, the following differences would have been noted:

- Certain assets are "non-admitted" and are charged against surplus, such as prepaid expenses, electronic data processing equipment and software, furniture and deferred tax assets.
- Purchase Price Accounting (Goodwill and Other Intangibles) Assets, amortization and associated Deferred Taxes are recorded on the acquired company's GAAP financial statements. Our parent corporation, HAP, has accounted for its investment in the Plan in accordance with Statement of Statutory Accounting Principles (SSAP) No 68, *Business Combinations and Goodwill*.
- Deferred income taxes are admitted in accordance with Statement of Statutory Accounting Principle (SSAP) No. 101, Income Taxes, a Replacement of SSAP No. 10R and SSAP No. 10 effective January 1, 2012. Changes in deferred income taxes are credited or charged directly to unassigned surplus as opposed to income tax expense.
- The classification of items included in the Statements of Cash Flows - statutory basis differs from GAAP.
- The disclosures required by the statutory basis differ from GAAP.

B. Use of Estimates - No significant change

C. Accounting Policy

The Plan operates under a capitated Medicaid contract with the Michigan Department of Community Health (MDCH). In addition, the Plan has a contract with the Centers for Medicare and Medicaid Services (CMS) for Medicare beneficiaries. For 2016 and 2015, these contracts provided the majority of the Plan's operating revenues. Revenue is recognized during the month in which coverage for enrolled members is in effect. Amounts receivable or payable as a result of the contract reconciliation process are recorded in the year known or a reasonable estimate is determinable. For certain Medicaid premiums, amounts may be returned to the state if certain minimum amounts are not spent on defined medical care costs, or the Company may receive additional premiums if amounts spent on medical care costs exceed a defined maximum threshold.

1. Short-term investments – No significant change
2. Bonds – No significant change

3. Common Stocks – Not applicable
4. Preferred Stocks – Not applicable
5. Mortgage Loans – Not applicable
6. Loan-backed securities- Loan-backed securities are stated at amortized cost or the lower of amortized cost or fair value based on the NAIC designation of the underlying security. The retrospective method is used to value all securities. Amortized cost is determined utilizing the scientific interest method.
7. Investments in Subsidiaries, controlled and affiliated companies – Not applicable
8. Investments in Joint Ventures, partnerships and limited liability companies – Not applicable
9. Derivatives – Not applicable
10. The Company was not required to record a premium deficiency reserve at December 31, 2016.
11. The Plan's method of estimating liabilities for unpaid medical claims – No significant change
12. Capitalization policy – No modification of capitalization policy
13. Pharmaceutical/Rebates Receivable – No significant change

2. Accounting Change and Correction of Errors

Not applicable

3. Business Combination and Goodwill

- A. Statutory Purchase Method- Not applicable
- B. Statutory Merger- Not applicable
- C. Assumption Reinsurance- Not applicable
- D. Impairment Loss- Not applicable

4. Discontinued Operations

Not applicable

5. Investments

- A. Mortgage Loans – Not applicable
- B. Debt Restructuring – Not applicable
- C. Reverse Mortgages – Not applicable
- D. Loan-Backed Securities– Not applicable
- E. Repurchase Agreements – Not applicable
 1. Not applicable
 - b. Not applicable
- F. Real Estate – Not applicable
- G. Investment in Low-Income Housing Tax Credits – Not applicable
- H. Restricted Assets- No significant change
- I. Working Capital Finance Investments- Not applicable
 1. Not applicable
 2. Not applicable
 3. Not applicable
- J. Offsetting and Netting of Assets and Liabilities- Not applicable
- K. Structured Notes- Not applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Plan has no investments in Joint Ventures, Partnerships, or limited Liability Companies that exceed 10% of its admitted assets
- B. The Plan did not recognize any impairment write down for investments in Joint Ventures, Partnerships and, Limited Liability Companies during the Statement Periods.

7. Investment Income

Not applicable

8. Derivative Instruments

Not applicable

9. Income Taxes

No change in methodology.

Estimated Federal Income Tax for the three months ended March 31, 2017 is \$0.00.

10. Information Concerning Parent, Subsidiaries and Affiliates

No significant change

11. Debt

A. Not applicable

B. Not applicable

12. Employee Benefit Plan

A. Defined Benefit Plan

4. Not applicable

B. Investment Policies and Strategies – Not applicable

C. Fair Value of Each Class of Plan Assets – Not applicable

D. Basis to determine the overall expected long-term rate of return on assets assumptions – Not applicable

E. Defined Contribution Plan – No significant change

F. Multiemployer Plans – Not applicable

G. Consolidated/Holding Company Plans– Not applicable

H. Post-employment Benefits and Compensated Absences – Not applicable

I. Impact of Medicare Modernization Act on Postretirement Benefits – Not applicable

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

1. Capital stock – No significant change

2. Preferred stock – Not applicable

3. Dividend Restrictions - No significant change

4. Dates and amounts of dividends paid –The Plan and Its parent company, HAP, requested and received approval from DIFS, for an additional extraordinary dividend of \$24,700,000 in December 2016. The dividend was paid on January 6, 2017.

5. Dividend Restrictions Based on Profits - No significant change

6. Restrictions on Unassigned Funds (Surplus) – Not applicable

7. Advances to Surplus not Repaid – Not applicable.

8. Stock held for Special Purposes – Not applicable.

9. Changes in special Surplus funds – Not applicable

10. There are no cumulative unrealized gains and losses that reduce Unassigned funds (Surplus)

11. Surplus Notes – Not applicable

12. Impact of a Restatement Due to a Quasi-reorganization – Not applicable

13. The Effective Date(s) of a Quasi-Reorganization for the Prior Ten Years – Not applicable

14. Commitments and Contingencies

A. Contingent Commitments - Not applicable

B. Guaranty fund and other assessments - Not applicable

C. Gain Contingencies - Not applicable

D. Claims Related Extra Contractual Obligation and Bad, Faith Losses Stemming from Lawsuits - Not applicable

- E. All Other Contingencies - Not applicable
- F. All Other Contingencies- Not applicable

15. Leases

- A. Lessee Operating Lease
 - 1 A general description of the lessee’s leasing arrangements – No significant change
 - 2 Leases having initial or remaining non-cancelable lease terms in excess of one year – No significant change
 - 3 For sale-leaseback transactions – Not applicable
- B. Lessor Leases – Not applicable
- C. Leveraged Leases – Not applicable

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk.

Not applicable

17. Sales, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities

- A. Transfers of Receivables Reported as Sales- Not applicable
- B. Transfer and Servicing of Financial Assets
 - 1. Not applicable
 - 2. Not applicable
 - a. Not applicable
 - b. Not applicable
 - c. Not applicable
 - 3. Not applicable
 - 4. Not applicable
 - a. Not applicable
 - b. Not applicable
- C. Wash Sales- Not applicable

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans.

- A. ASO Plans – Not applicable
- B. ASC Plans – Not applicable
- C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract –
 - 1. Major components of revenue by payor – Not applicable
 - 2. Receivables from payors with account balances the greater of 10% of amounts receivable relating to uninsured accident and health plans of \$10,000 – Not applicable
 - 3. Recorded allowances and reserves for adjustment of recorded revenues – No significant change
 - 4. Adjustments to revenue resulting from audit of receivables related to revenues recorded in the prior period – Not applicable

19. Direct Premium Written/Produced by Managing General Third Agents/Third Party Administrators

Not applicable

20. Fair Value Measurements

- A.
 - (1) Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at Fair Value				
Perpetual Preferred stock				
Industrial and Misc.	\$ 0	\$0	\$0	\$ 0
Parent, Subsidiaries and Affiliates	0	0	0	0
Total Perpetual Preferred Stocks	\$ 0	\$0	\$0	\$ 0
Bonds				
U.S. Governments	\$ 0	\$0	\$0	\$0

U.S. State	\$ 0	0	\$0	0
Industrial and Misc	37,978,319	0	0	37,978,319
Hybrid Securities	0	0	0	0
Parent, Subsidiaries and Affiliates	0	0	0	0
Total Bonds	\$37,978,319	\$0	\$0	\$37,978,319
Common Stock				
Industrial and Misc	\$ 0	\$0	\$0	\$ 0
Parent, Subsidiaries and Affiliates	0	0	0	0
Total Common Stocks	\$ 0	\$0	\$0	\$ 0
Derivative assets				
Interest rate contracts	\$ 0	\$0	\$0	\$ 0
Foreign exchange contracts	0	0	0	0
Credit contracts	0	0	0	0
Commodity futures contracts	0	0	0	0
Commodity forward contracts	0	0	0	0
Total Derivatives	\$ 0	\$0	\$0	\$ 0
Separate account assets	\$ 0	\$0	\$0	\$ 0
Total assets at fair value	\$37,978,319	\$0	\$0	\$37,978,319
b. Liabilities at fair value				
Derivative liabilities	\$ 0	\$0	\$0	\$ 0
Total Liabilities at Fair Value	\$0	\$0	\$0	\$0

Footnote:
(a) No transfers from Level 1 to Level 2.

(2) The Plan has no fair value measurements categorized within Level 3 of the fair value hierarchy.

(3) The Plan had no transfers between levels.

(4) The fair value measurements categorized within Level 2 of the fair value hierarchy reported by the Corporation are obtained primarily from independent pricing services and broker dealer quotes. Mortgage backed securities are submitted to the NAIC’s Securities Valuation Office for valuation.

(5) Derivative assets and liabilities: Not applicable

B. Fair value information and information about other similar measurements disclosed under other accounting pronouncements combined with disclosures under SSAP No. 100, Fair Value Measurements – Not applicable

C. Aggregate fair values of all financial instruments and applicable levels within the fair value hierarchy

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets/ Liabilities	Not Practicable Carrying Value			
			(Level 1)	(Level 2)	(Level 3)	
Bonds	37,978,319	37,978,319	37,978,319			
Common Stock						
Derivative Assets						
Derivative Liabilities						

D. Financial instruments or classes of financial instruments for which fair value measurements are not determinable – Not applicable

21. Other Items

A. Unusual or Infrequent Items

Not Applicable

B. Troubled Debt Restructuring – Not applicable

C. Other Disclosures

Not Applicable

D. Business Interruption Insurance Recoveries – Not applicable

E. State Transferable Tax Credits – Not applicable

F. Subprime Mortgage Related Risk Exposure – Not applicable

G. Retained Assets- Not Applicable

22. Events Subsequent

Type I- Not applicable

Type II-Non-recognized Subsequent Events

23. Reinsurance

Effective 1/1/2017 reinsurance carrier changed to Summit Re

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination.

The company has no retrospective contracts or contracts subject to redetermination.

25. Change in Incurred Claims and Claims Adjustment Expenses

Reserves as of March 31, 2017 were \$22,922,380. As of March 31, 20147, \$14,608,872 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$13,236,374.

26. Intercompany Pooling Arrangements

Not applicable

27. Structured Settlements

Not applicable

28. Health Care Receivables - Admitted

A. Pharmaceutical/Rebates Receivable – No significant change

B. Risk Sharing Receivable - No significant change

29. Participating Policies

Not applicable

30. Premium Deficiency Reserves

Not applicable

31. Anticipated Salvage and Subrogation

Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes ☐ No ☒
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes ☐ No ☐
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:
- 3.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒ No ☐
- If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes ☐ No ☒
- 3.3

If the response to 3.2 is yes, provide a brief description of those changes.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 4.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

Yes ☐ No ☐ NA ☒
- If yes, attach an explanation.
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2015
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2013
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

06/05/2015
- 6.4

By what department or departments?
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ NA ☒
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ NA ☐
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 7.2

If yes, give full information:
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes ☐ No ☒
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes ☐ No ☒
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

GENERAL INTERROGATORIES

9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

Yes [X] No []

9.11

If the response to 9.1 is No, please explain:
.....

9.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]

9.21

If the response to 9.2 is Yes, provide information related to amendment(s).
.....

9.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]

9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s).
.....

FINANCIAL

10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?.....

Yes [] No [X]

10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:.....\$

INVESTMENT

11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes [] No [X]

11.2

If yes, give full and complete information relating thereto:
.....

12.

Amount of real estate and mortgages held in other invested assets in Schedule BA:\$

13.

Amount of real estate and mortgages held in short-term investments:\$

14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes [] No [X]

14.2

If yes, please complete the following:

		1	2
		Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21	Bonds	\$	\$
14.22	Preferred Stock	\$	\$
14.23	Common Stock	\$	\$
14.24	Short-Term Investments	\$	\$
14.25	Mortgage Loans on Real Estate	\$	\$
14.26	All Other	\$	\$
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$0	\$0
14.28	Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$

15.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes [] No [X]

15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes [] No []

If no, attach a description with this statement.

GENERAL INTERROGATORIES

- 16 For the reporting entity’s security lending program, state the amount of the following as of the current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

16.3 Total payable for securities lending reported on the liability page
- \$0

\$0

\$0

17. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity’s offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*?
- Yes [X] No []

- 17.1 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1	2
Name of Custodian(s)	Custodian Address
Comerica Bank.....	Detroit, Michigan.....

- 17.2 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?
- Yes [] No [X]

- 17.4 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason

- 17.5 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. [“...that have access to the investment accounts”; “...handle securities”]

1	2
Name of Firm or Individual	Affiliation
Doubleline Capital LP.....	U.....
Income Research Management.....	U.....
J.P. Morgan Investment Management, Inc.....	U.....
Sky Harbor Capital Management LLC.....	U.....
The Dreyfus Corportion.....	U.....
Goldman Sachs Asset Management LP.....	U.....
Fedelity management and Research company.....	U.....
Wells Fargo Funds Management LLC.....	U.....
FirstMerit PrivateBank.....	U.....
The Northern Trust Company.....	U.....
Comerica Bank, NA.....	U.....
Comerica Securities, Inc.....	U.....
Edward Chadwick.....	A.....
Richard Swift.....	I.....
Hedrick Schuur.....	A.....
Kelly English.....	A.....
Beth Treatt.....	A.....
Leslie Hardy.....	A.....

- 17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) manage more than 10% of the reporting entity’s assets?
- Yes [] No [X]

- 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity’s assets?
- Yes [] No [X]

- 17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of “A” (affiliated) or “U” (unaffiliated), provide the information for the table below.

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed

- 18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed?
- Yes [X] No []
- 18.2 If no, list exceptions:
-

GENERAL INTERROGATORIES
PART 2 - HEALTH

1.	Operating Percentages:	
1.1	A&H loss percent.....	86.6 %
1.2	A&H cost containment percent	1.8 %
1.3	A&H expense percent excluding cost containment expenses.....	13.7 %
2.1	Do you act as a custodian for health savings accounts?.....	Yes [] No [X]
2.2	If yes, please provide the amount of custodial funds held as of the reporting date.....	\$
2.3	Do you act as an administrator for health savings accounts?.....	Yes [] No [X]
2.4	If yes, please provide the balance of the funds administered as of the reporting date.....	\$

STATEMENT AS OF MARCH 31, 2017 OF THE HAP Midwest Health Plan, Inc.

SCHEDULE S - CEDED REINSURANCE

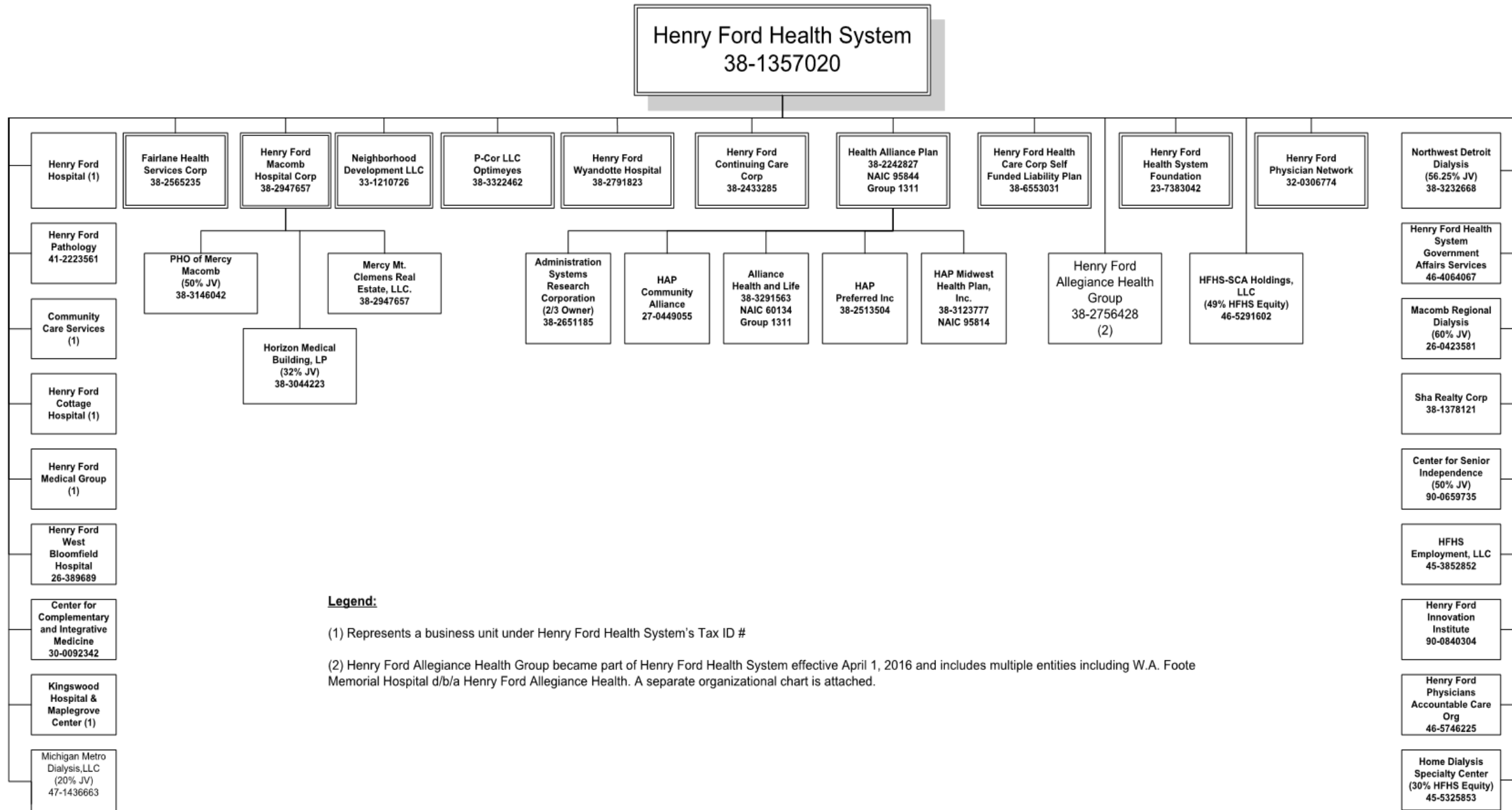
Showing All New Reinsurance Treaties - Current Year to Date

[illegible]

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

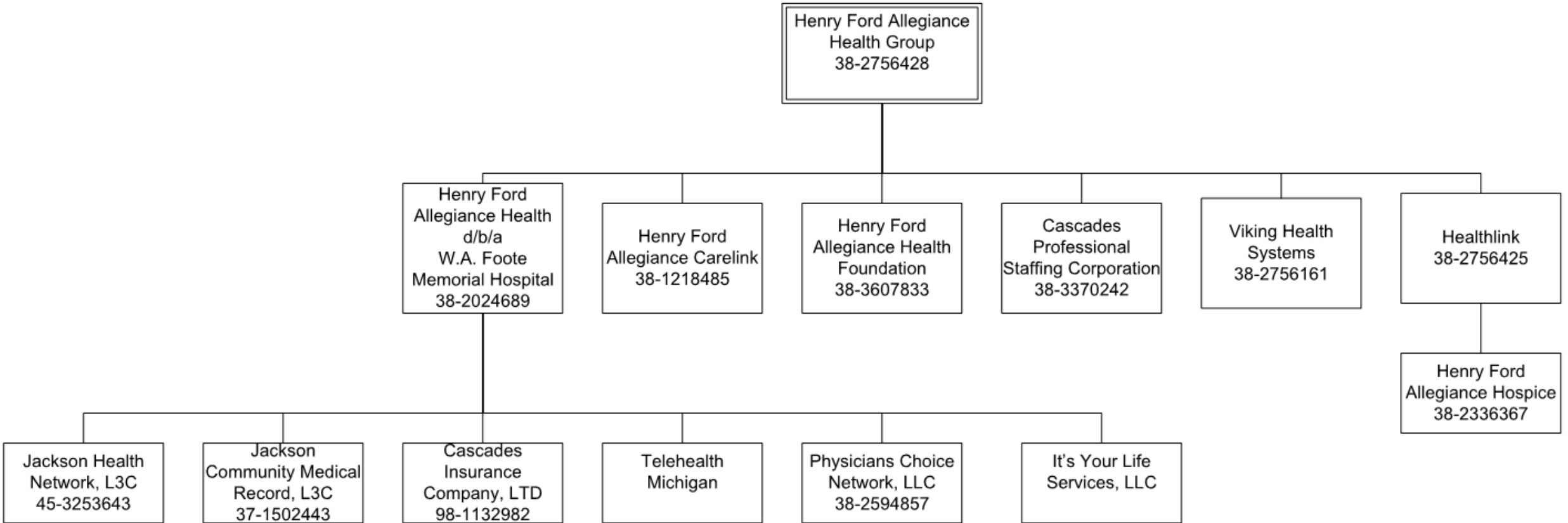
Current Year to Date - Allocated by States and Territories										
States, Etc.	1	Direct Business Only								
		2	3	4	5	6	7	8	9	
	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts	
1. Alabama	AL	N						0		
2. Alaska	AK	N						0		
3. Arizona	AZ	N						0		
4. Arkansas	AR	N						0		
5. California	CA	N						0		
6. Colorado	CO	N						0		
7. Connecticut	CT	N						0		
8. Delaware	DE	N						0		
9. Dist. Columbia	DC	N						0		
10. Florida	FL	N						0		
11. Georgia	GA	N						0		
12. Hawaii	HI	N						0		
13. Idaho	ID	N						0		
14. Illinois	IL	N						0		
15. Indiana	IN	N						0		
16. Iowa	IA	N						0		
17. Kansas	KS	N						0		
18. Kentucky	KY	N						0		
19. Louisiana	LA	N						0		
20. Maine	ME	N						0		
21. Maryland	MD	N						0		
22. Massachusetts	MA	N						0		
23. Michigan	MI	L	20,957,900	10,461,152				31,419,052		
24. Minnesota	MN	N						0		
25. Mississippi	MS	N						0		
26. Missouri	MO	N						0		
27. Montana	MT	N						0		
28. Nebraska	NE	N						0		
29. Nevada	NV	N						0		
30. New Hampshire	NH	N						0		
31. New Jersey	NJ	N						0		
32. New Mexico	NM	N						0		
33. New York	NY	N						0		
34. North Carolina	NC	N						0		
35. North Dakota	ND	N						0		
36. Ohio	OH	N						0		
37. Oklahoma	OK	N						0		
38. Oregon	OR	N						0		
39. Pennsylvania	PA	N						0		
40. Rhode Island	RI	N						0		
41. South Carolina	SC	N						0		
42. South Dakota	SD	N						0		
43. Tennessee	TN	N						0		
44. Texas	TX	N						0		
45. Utah	UT	N						0		
46. Vermont	VT	N						0		
47. Virginia	VA	N						0		
48. Washington	WA	N						0		
49. West Virginia	WV	N						0		
50. Wisconsin	WI	N						0		
51. Wyoming	WY	N						0		
52. American Samoa	AS	N						0		
53. Guam	GU	N						0		
54. Puerto Rico	PR	N						0		
55. U.S. Virgin Islands	VI	N						0		
56. Northern Mariana Islands	MP	N						0		
57. Canada	CAN	N						0		
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	0	20,957,900	10,461,152	0	0	0	31,419,052	0	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0		
61. Total (Direct Business)	(a) 1	0	20,957,900	10,461,152	0	0	0	31,419,052	0	0
DETAILS OF WRITE-INS										
58001	XXX									
58002	XXX									
58003	XXX									
58998 Summary of remaining write-ins for Line 58 from overflow page.	XXX	0	0	0	0	0	0	0	0	0
58999 Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.
(a) Insert the number of L responses except for Canada and other Alien.



Legend:

- (1) Represents a business unit under Henry Ford Health System's Tax ID #
- (2) Henry Ford Allegiance Health Group became part of Henry Ford Health System effective April 1, 2016 and includes multiple entities including W.A. Foote Memorial Hospital d/b/a Henry Ford Allegiance Health. A separate organizational chart is attached.



SCHEDULE Y
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
01311.....	Henry Ford Health System Group.	95814.....	38-3123777.....				HAP Midwest Health Plan, Inc.....	MI.....	RE.....	Health Alliance Plan of Michigan.....		100.0	Henry Ford Health System.....	N.....	.0
01311.....	Henry Ford Health System Group.	95844.....	38-2242827.....				Health Alliance Plan of Michigan.....	MI.....	UDP.....	Henry Ford Health System.....		100.0	Henry Ford Health System.....	N.....	.0
	Henry Ford Health System Group.	00000.....	38-2513504.....				HAP Preferred Inc.....		NIA.....	Health Alliance Plan of Michigan.....		100.0	Henry Ford Health System.....	N.....	.0
01311.....	Henry Ford Health System Group.	60134.....	38-3291563.....				Alliance Health and Life Insurance Company.....	MI.....	IA.....	Health Alliance Plan of Michigan.....		100.0	Henry Ford Health System.....	N.....	.0
	Henry Ford Health System Group.	00000.....	38-2651185.....				Administration System Research Group.....		NIA.....	Health Alliance Plan of Michigan.....		66.7	Henry Ford Health System.....	N.....	.0
	Henry Ford Health System Group.	00000.....	27-0449055.....				HAP Community Alliance.....		NIA.....	Health Alliance Plan of Michigan.....		100.0	Henry Ford Health System.....	N.....	.0
	Henry Ford Health System Group.	00000.....	45-3852852.....				employment, LLC.....		NIA.....	Henry Ford Health System.....		100.0	Henry Ford Health System.....	N.....	.0
	Henry Ford Health System Group.	00000.....	38-1357020.....				Henry Ford Health System.....		UIP.....			0.0		N.....	.0
	Henry Ford Health System Group.	00000.....	38-2791823.....				Henry Ford Wyandotte.....		NIA.....	Henry Ford Health System.....		100.0	Henry Ford Health System.....	N.....	.0
	Henry Ford Health System Group.	00000.....	38-2947657.....				Henry Ford Macomb Hospital.....		NIA.....	Henry Ford Health System.....		100.0	Henry Ford Health System.....	N.....	.0
	Henry Ford Health System Group.	00000.....	38-3146042.....				PHO of Mercy Macomb.....		NIA.....	Henry Ford Health System.....		100.0	Henry Ford Health System.....	N.....	.0
	Henry Ford Health System Group.	00000.....	38-2679527.....				Horizon Properties Inc.....		NIA.....	Henry Ford Health System.....		100.0	Henry Ford Health System.....	N.....	.0
	Henry Ford Health System Group.	00000.....	38-2947657.....				Mercy Mt. Clemens Real Estate, LLC.....		NIA.....	Henry Ford Health System.....		100.0	Henry Ford Health System.....	N.....	.0
	Henry Ford Health System Group.	00000.....	38-2565235.....				Fairlane Health Services Corp.....		NIA.....	Henry Ford Health System.....		100.0	Henry Ford Health System.....	N.....	.0
	Henry Ford Health System Group.	00000.....	33-1210726.....				Neighborhood Development LLC.....		NIA.....	Henry Ford Health System.....		100.0	Henry Ford Health System.....	N.....	.0
	Henry Ford Health System Group.	00000.....	38-2433285.....				Henry Ford Continuing Care Corp.....		NIA.....	Henry Ford Health System.....		100.0	Henry Ford Health System.....	N.....	.0
	Henry Ford Health System Group.	00000.....	38-6553031.....				Henry Ford Health Care Corp.....		NIA.....	Henry Ford Health System.....		100.0	Henry Ford Health System.....	N.....	.0
	Henry Ford Health System Group.	00000.....	38-6553031.....				Self Funded Liability Plan.....		NIA.....	Henry Ford Health System.....		100.0	Henry Ford Health System.....	N.....	.0
	Henry Ford Health System Group.	00000.....	23-7383042.....				Henry Ford Health System Foundation.....		NIA.....	Henry Ford Health System.....		100.0	Henry Ford Health System.....	N.....	.0
	Henry Ford Health System Group.	00000.....	32-0306774.....				Henry Ford Physician Network.....		NIA.....	Henry Ford Health System.....		100.0	Henry Ford Health System.....	N.....	.0
	Henry Ford Health System Group.	00000.....	38-3232668.....				Northwest Detroit Dialysis.....		NIA.....	Henry Ford Health System.....		56.3	Henry Ford Health System.....	N.....	.0
	Henry Ford Health System Group.	00000.....	45-5325853.....				Home Dialysis specialty Center.....		NIA.....	Henry Ford Health System.....		30.0	Henry Ford Health System.....	N.....	.0
	Henry Ford Health System Group.	00000.....	26-0423581.....				Macomb Regional Dialysis.....		NIA.....	Henry Ford Health System.....		60.0	Henry Ford Health System.....	N.....	.0
	Henry Ford Health System Group.	00000.....	38-1378121.....				Sha Realty Corp.....		NIA.....	Henry Ford Health System.....		100.0	Henry Ford Health System.....	N.....	.0
	Henry Ford Health System Group.	00000.....	90-0659735.....				Center for Senior Independence.....		NIA.....	Henry Ford Health System.....		100.0	Henry Ford Health System.....	N.....	.0

SCHEDULE Y
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
	Henry Ford Health System Group	00000	26-3896897				Henry Ford West Bloomfield		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000	38-3322462				P Cor, LLC		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000	90-0840304				Henry Ford Innovation Insitute		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000	41-2223561				Henry Ford Pathology		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000	46-5746225				Henry Ford Physicians Accountable Care Organization, LLC		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000	30-0092342				Center for Complementary and Integrative Medicine		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000	46-4064067				Henry Ford Health System Government Affairs Services		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000	38-3044223				Horizon Medical Building, LP		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000	46-5291602				HFHS-SCA Holdings, LLC		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000	47-1436663				Michigan Metro Dialysis, LLC		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000	38-2756428				Henry Ford Allegiance Health Group		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000	38-2024689				Henry Ford Allegiance Health		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000	38-1218485				Henry Ford Allegiance Carelink		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000	38-3607833				Henry Ford Allegiance Health Foundation		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000	38-3370242				Cascades Professional Staffing Corporation		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000	37-2756161				Viking Health Systems		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000	38-2756425				Healthlink		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000	45-3253643				Jackson Health Network, L3C		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000	98-1132982				Cascades Insurance Company, LTD		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000					Telehealth Michigan		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000	38-2594857				Physicians Chice Network, LLC		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000					It's Your Life Services, LLC		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000	38-2336367				Henry Ford Allegiance Hospice		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0
	Henry Ford Health System Group	00000	37-1502443				Jackson Community Medical Record		NIA	Henry Ford Health System		100.0	Henry Ford Health System	N	.0

SCHEDULE Y
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

Asterisk	Explanation
0000001	

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

RESPONSE

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

.....NO.....

Explanation:

1. Midwest does not write Medicare Part D

Bar Code:

1.



OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A – VERIFICATION

Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Current year change in encumbrances		0
4. Total gain (loss) on disposals		0
5. Deduct amounts received on disposals		0
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other-than-temporary impairment recognized		0
8. Deduct current year's depreciation		0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B – VERIFICATION

Mortgage Loans

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and mortgage interest points and commitment fees		0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		0
10. Deduct current year's other-than-temporary impairment recognized		0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance		0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and depreciation		0
9. Total foreign exchange change in book/adjusted carrying value		0
10. Deduct current year's other-than-temporary impairment recognized		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	1,027,117	36,132,587
2. Cost of bonds and stocks acquired		12,958,567
3. Accrual of discount		3,612
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals		301,695
6. Deduct consideration for bonds and stocks disposed of		48,179,688
7. Deduct amortization of premium		189,656
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other-than-temporary impairment recognized		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	1,027,117	1,027,117
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	1,027,117	1,027,117

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a).....	78,522,654		40,544,335		37,978,319	0	0	78,522,654
2. NAIC 2 (a).....	0				0	0	0	0
3. NAIC 3 (a).....	0				0	0	0	0
4. NAIC 4 (a).....	0				0	0	0	0
5. NAIC 5 (a).....	0				0	0	0	0
6. NAIC 6 (a).....	0				0	0	0	0
7. Total Bonds	78,522,654	0	40,544,335	0	37,978,319	0	0	78,522,654
PREFERRED STOCK								
8. NAIC 1	0				0	0	0	0
9. NAIC 2	0				0	0	0	0
10. NAIC 3	0				0	0	0	0
11. NAIC 4	0				0	0	0	0
12. NAIC 5	0				0	0	0	0
13. NAIC 6	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	78,522,654	0	40,544,335	0	37,978,319	0	0	78,522,654

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$; NAIC 2 \$;
NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

SCHEDULE DA - PART 1
Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	37,978,319	XXX	37,978,319		

SCHEDULE DA - VERIFICATION
Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	64,933,639	763,612
2. Cost of short-term investments acquired	4,044,680	109,696,297
3. Accrual of discount		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals		0
6. Deduct consideration received on disposals	31,000,000	45,526,270
7. Deduct amortization of premium.....		0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other-than-temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	37,978,319	64,933,639
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	37,978,319	64,933,639

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E - Verification

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

Schedule D - Part 3

NONE

Schedule D - Part 4

NONE

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

STATEMENT AS OF MARCH 31, 2017 OF THE HAP Midwest Health Plan, Inc.

SCHEDULE E - PART 1 - CASH

[illegible]

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter								
1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year	
			NONE					
8699999 Total Cash Equivalents					0	0	0	